

Message Text

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45

ACTION EUR-25

INFO OCT-01 EA-11 NEA-10 IO-13 ADP-00 EURE-00 CIAE-00

DODE-00 PM-07 H-02 INR-10 L-03 NSAE-00 NSC-10 PA-03

RSC-01 PRS-01 SS-15 USIA-12 EB-11 STR-08 OMB-01

CIEP-02 COME-00 TRSE-00 AID-20 IGA-02 AGR-20 RSR-01

/189 W

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P R 301430 Z MAY 73

FM AMEMBASSY THE HAGUE

TO SECSTATE WASHDC PRIORITY 1397

INFO AMEMBASSY ANKARA

AMEMBASSY ATHENS

AMEMBASSY BELGRADE

AMEMBASSY BERN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY CANBERRA

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY HELSINKI

AMEMBASSY LISBON

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY MADRID

AMEMBASSY OSLO

AMEMBASSY OTTAWA

AMEMBASSY PARIS

AMEMBASSY REYKJAVIK

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

AMEMBASSY TOKYO

AMEMBASSY VIENNA

AMEMBASSY WELLINGTON

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USMISSION OECD PARIS

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E. O. 11652: N/ A

TAGS: EGEN, NL

SUBJECT: DEN UYL CABINET PROGRAM - ECONOMIC ASPECTS

1. SUMMARY: ECONOMIC PORTION OF DEN UYL PROGRAM IS SOCIALIST IN FLAVOR AIMED AT FOSTERING MORE EVEN DISTRIBUTION OF INCOME AND WALTH AND AT CURBING INFLATION. LIFE WILL BE MORE DIFFICULT FOR US MULTINATIONALS HERE BUT BASIC US ECONOMIC OBJECTIVES NOT AFFECTED. PROGRAM HAS LITTLE TO SAY ON FOREIGN ECONOMIC POLICY.

BEGIN UNCLASSIFIED

2. PRIMIN DEN UYL' S MAY 28 POLICY DECLARATION ON FUTURE PROGRAM OF HIS NEWLY INSTALLED CENTER/ LEFT COALITION FOCUSED HEAVILY ON DOMESTIC ECONOMIC ISSUES. HE DID NOT DISCUSS INTERNATIONAL ECONOMIC ISSUES BUT DID CALL FOR INCREASED DUTCH FOREIGN AID.

3. UNDERLYING THEME WAS NEED FOR INCOMES POLICY AT ALL LEVELS TO ACHIEVE DUAL PURPOSE OF CONTROLLING INFLATION AND PROMOTING MORE EVEN DISTRIBUTION OF INCOME AND WALTH. AMONG OTHER THING DEN UYL PROPOSED:

- CONTROLS ON PROFESSIONAL FEES
- MORE PUBLIC DISCLOSURE OF PRIVATE AND CORPORATE INCOME AND CAPITAL
- REDUCTION OF SALARIES OF CABINET OFFICERS
- TIGHTER PRICE CONTROLS
- NO FURTHER INCREASE IN VALUE ADDED TAX
- HIGHER PROPERTY TAXES
- NEW INSURANCE SCHEME FOR DISABLED
- MONEY AND CONTROLS TO COMBAT UNEMPLOYMENT
- TIGHTER RESTRICTIONS ON PRIVATE CREDIT
- SELECTIVE LEVY ON INDUSTRIAL CONSTRUCTION IN ROTTERDAM/ AMSTERDAM AREA
- MAINTAIN EXISTING LEVEL OF RENT CONTROL
- REINTRODUCE HOUSING REQUISITION AUTHORITY

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- MORE BENEFITS FOR LOWER- PAID AND AGED
- " RESTRUCTURING" OF UNIVERSITY EDUCATION AND NEW SYSTEM FOR FINANCIAL SUPPORT TO STUDENTS.
- MORE POWERS FOR " WORKS COUNCILS" IN PRIVATE COMPANIES
- MORE PUBLIC AUTHORITY TO CONTROL ENERGY PRICES
- NEW LAWS AND REGULATIONS ON ENVIRONMENTAL CONTROL, PARTICULARLY RELATING TO AIR POLLUTION IN ROTTERDAM AREA,

CHEMICAL WASTE DISPOSAL, AND NUCLEAR ENERGY, AND INVOLVING
POSSIBLE ESTABLISHMENT OF CENTRAL BOARD FOR ENVIRONMENTAL
CONTROL.

- INCREASE IN GROSS OFFICIAL FOREIGN AID (I. E. ODA PLUS
CERTAIN ADMINISTRATIVE COSTS IN HOLLAND) TO 1.5 PERCENT
OF NET NATIONAL INCOME. END UNCLASSIFIED
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4. COMMENT: ECONOMIC PROGRAM OF NEW GOVERNMENT AS GIVEN IN
DEN UYL STATEMENT WOULD NOT APPEAR TO IMPINGE ON US OBJECT-
IVES HERE BUT PARTS OF IT WILL CLEARLY MAKE LIFE MORE DIFFI-
CULT FOR OUR MULTINATIONALS OPERATING IN NETHERLANDS.
INCREASED TAXES, GREATER DISCLOSURE REQUIREMENTS, SELECTIVE
INVESTMENT LEVY, INCREASED POWER FOR WORKS COUNCILS (I. E.
EMPLOYEE GROUPS IN LARGER COMPANIES) AND TIGHTER POLLUTION
CONTROL

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*** Current Classification *** LIMITED OFFICIAL USE

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ATHENS
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